

A contrast of target and walmart essay



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On the basis of employee policies, Target can eat Wal-Mart up for breakfast. Wal-Mart is the largest chain of discount stores in the country. The company has recorded the highest amount of revenue in the retail industry this year. It made close to \$350 billion dollars in revenue (Wal-Mart Home Page, 2007) yet it is marred by civil suits from all directions.

Target Corporation is the second largest chain of discount stores. It has a huge potential for growth; it recorded the highest profit margins in the retail industry. (Baird, 2006) It has a suitable labor policy that encourages and motivates workers. Differences between Wal-Mart and Target The two companies have significant differences in their company structure yet their pay packages do not match their revenues.

Wal-Mart has about 1.3 million employees under its name yet the Target Corporation only has about 5000 employees. This indicates that it is highly unlikely to observe a personal relationship between the employee and management. Secondly, has a huge employee turnover. It is quite common to find employees worrying about what their next move will be in this company thus showing that Wal-Mart lacks job security. Target has a predictable employee turnover and most workers enjoy its friendly work environment.

Wal-Mart is international while Target is national. Wal-Mart has chains of stores in other countries like India and China; in addition to the latter it has a large number of outlets within the country. Yet Target possesses only about 1591 stores within. This has brought about weak control in Wal-Mart's management. Another difference in company structure is the performance of company shares in the stock market. The Wal-Mart group offers its stocks at

a price of about 53 dollars and has been recording positive performances in the stock market.

This is probably because the company is well known and many people invest in it because they can identify with it. Target also offers its shares in the stock market but they have not recorded a performance equal to the retail giant. This revenue collection should be reflected in treatment of workers but this is not the case. (The University of Michigan, 2007) Payment packages between the two companies differ i. e.

benefits offered. An example of what some of these workers do is making arrangement of products, cleaning up, receiving payments from customers etc. These activities fall within both companies. Wal-Mart has the capability of increasing its minimum wage while Target may not. This is because of the total gross profit which this giant earns i. e.

\$ 53 billion per year. Walmart can increase its minimum wage to double the amount it is currently paying its laborers and may not be seriously affected by this increase. Target offers health benefits to its employees at an employee friendly rate while Wal-Mart has not been reliable on their part. (Health benefits are a deduction from the companies' account that goes into the payment of medical expenses).

It is a sad state of affairs that the retail giant has not put an effective scheme in place. Employees have to wait for 1 year or 6 months to be accommodated. In addition to the long waiting periods some employees are not covered at all. The percentage of those who do not get accounted for is about 17%.

Pension plans are another crucial part of any payment scheme. More so because workers in retail stores are mature and could be approaching retirement at any time. This could be regarded as a way of appreciating the loyalty of long serving associates who may have worked for close to 20 years in a company. The Target Company has put this plan into place and workers who have reached retirement can reap the efforts of their long service and live in comfort. This is however not the case for Walmart who have been accused of taking employee pension plans and using them to buy Wal-Mart stock. Since employees are also potential customers, they ought to be given an allowance on goods bought within the stores.

An allowance is currently offered by Target Company where it deducts 10% off any product bought within the company. A similar discount is being offered by Wal-Mart but not on food items or items on sale. Employees ought to be motivated by giving them time off their busy schedules to relax and unwind. Some of them may opt to go for vacations or holidays.

The Target Company offers a scheme for vacation and holidays, it pays them despite being on vacation. No such scheme is available in the giant employer company yet it could offer about 2 weeks of leave for its workers. Also insurance is a crucial part of the employee's payment scheme. (Mui, 2006) Companies should enroll their workers into various schemes some of these include; life, fire and accident schemes. Currently, the less earner of the two companies is offering both life and disability insurance while the other company also offers but has been accused of giving modest amounts.

Lastly, working (Frank, 2006) facilities offered by companies for their workers have been reported to be inconvenient for workers in Wal Mart than at Target. In Wal Mart, workers have cubicles instead of offices and complaints have been put forward about congestion. In Target, there's reasonable space for employees to go about their daily chores. The last major difference between Wal - Mart and Target is in the kind of services offered. Although Target and Wal- Mart both offer a wide range of products like electronics, jewelry, pharmaceuticals, toys, sporting activities and many more Wal-Mart has been known for its extra ordinarily low prices compared to the other company.

This is because it buys in large amounts or in bulk and can therefore afford to lower its prices and still be able to make reasonable profit. This means that the company normally does business with outsiders and doesn't promote internal growth. Its systems are complex and difficult to understand. It would definitely be easier to work for a local company like target whose whereabouts are well known.

Lastly, Target focuses on the more upscale consumer while Wal -Mart targets consumers from all walks of life. This is because upscale customers are said to be heavy spenders and bring in a lot of revenue. This means that the company has given itself an edge over other retailers and may grow with time. (Baird, 2006) Conclusion It has been quite a number of years since the minimum wage has been raised.

However, the exorbitant amounts earned by executives have increased by almost 10 times what they were earning over the same period of time. This

is quite unfair since most laborers are struggling to keep their heads above the tide. Minimum wage need not remain stagnant; it should be raised to improve lifestyles of employees. However, arguments have been brought forward that not all retail stores can afford a higher minimum wage.

It is therefore more appropriate if companies paid a bill that is in line with their earnings. This could be legislated into parliament and companies regulated on the basis of their earnings. Wal-Mart can and should improve its employee policies because it is getting so much and giving so little. These are improvements for the future, but in the mean time, target is a better retail company to work for than Wal-Mart.